

## EXHIBIT "G"

20110287122  
07/19/2011 RP2 \$32.00

5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50  
51  
52  
53  
54  
55  
56  
57  
58  
59  
60  
61  
62  
63  
64  
65  
66  
67  
68  
69  
70  
71  
72  
73  
74  
75  
76  
77  
78  
79  
80  
81  
82  
83  
84  
85  
86  
87  
88  
89  
90  
91  
92  
93  
94  
95  
96  
97  
98  
99  
100  
101  
102  
103  
104  
105  
106  
107  
108  
109  
110  
111  
112  
113  
114  
115  
116  
117  
118  
119  
120  
121  
122  
123  
124  
125  
126  
127  
128  
129  
130  
131  
132  
133  
134  
135  
136  
137  
138  
139  
140  
141  
142  
143  
144  
145  
146  
147  
148  
149  
150  
151  
152  
153  
154  
155  
156  
157  
158  
159  
160  
161  
162  
163  
164  
165  
166  
167  
168  
169  
170  
171  
172  
173  
174  
175  
176  
177  
178  
179  
180  
181  
182  
183  
184  
185  
186  
187  
188  
189  
190  
191  
192  
193  
194  
195  
196  
197  
198  
199  
200  
201  
202  
203  
204  
205  
206  
207  
208  
209  
210  
211  
212  
213  
214  
215  
216  
217  
218  
219  
220  
221  
222  
223  
224  
225  
226  
227  
228  
229  
230  
231  
232  
233  
234  
235  
236  
237  
238  
239  
240  
241  
242  
243  
244  
245  
246  
247  
248  
249  
250  
251  
252  
253  
254  
255  
256  
257  
258  
259  
260  
261  
262  
263  
264  
265  
266  
267  
268  
269  
270  
271  
272  
273  
274  
275  
276  
277  
278  
279  
280  
281  
282  
283  
284  
285  
286  
287  
288  
289  
290  
291  
292  
293  
294  
295  
296  
297  
298  
299  
300  
301  
302  
303  
304  
305  
306  
307  
308  
309  
310  
311  
312  
313  
314  
315  
316  
317  
318  
319  
320  
321  
322  
323  
324  
325  
326  
327  
328  
329  
330  
331  
332  
333  
334  
335  
336  
337  
338  
339  
340  
341  
342  
343  
344  
345  
346  
347  
348  
349  
350  
351  
352  
353  
354  
355  
356  
357  
358  
359  
360  
361  
362  
363  
364  
365  
366  
367  
368  
369  
370  
371  
372  
373  
374  
375  
376  
377  
378  
379  
380  
381  
382  
383  
384  
385  
386  
387  
388  
389  
390  
391  
392  
393  
394  
395  
396  
397  
398  
399  
400  
401  
402  
403  
404  
405  
406  
407  
408  
409  
410  
411  
412  
413  
414  
415  
416  
417  
418  
419  
420  
421  
422  
423  
424  
425  
426  
427  
428  
429  
430  
431  
432  
433  
434  
435  
436  
437  
438  
439  
440  
441  
442  
443  
444  
445  
446  
447  
448  
449  
450  
451  
452  
453  
454  
455  
456  
457  
458  
459  
460  
461  
462  
463  
464  
465  
466  
467  
468  
469  
470  
471  
472  
473  
474  
475  
476  
477  
478  
479  
480  
481  
482  
483  
484  
485  
486  
487  
488  
489  
490  
491  
492  
493  
494  
495  
496  
497  
498  
499  
500  
501  
502  
503  
504  
505  
506  
507  
508  
509  
510  
511  
512  
513  
514  
515  
516  
517  
518  
519  
520  
521  
522  
523  
524  
525  
526  
527  
528  
529  
530  
531  
532  
533  
534  
535  
536  
537  
538  
539  
540  
541  
542  
543  
544  
545  
546  
547  
548  
549  
550  
551  
552  
553  
554  
555  
556  
557  
558  
559  
560  
561  
562  
563  
564  
565  
566  
567  
568  
569  
570  
571  
572  
573  
574  
575  
576  
577  
578  
579  
580  
581  
582  
583  
584  
585  
586  
587  
588  
589  
590  
591  
592  
593  
594  
595  
596  
597  
598  
599  
600  
601  
602  
603  
604  
605  
606  
607  
608  
609  
610  
611  
612  
613  
614  
615  
616  
617  
618  
619  
620  
621  
622  
623  
624  
625  
626  
627  
628  
629  
630  
631  
632  
633  
634  
635  
636  
637  
638  
639  
640  
641  
642  
643  
644  
645  
646  
647  
648  
649  
650  
651  
652  
653  
654  
655  
656  
657  
658  
659  
660  
661  
662  
663  
664  
665  
666  
667  
668  
669  
670  
671  
672  
673  
674  
675  
676  
677  
678  
679  
680  
681  
682  
683  
684  
685  
686  
687  
688  
689  
690  
691  
692  
693  
694  
695  
696  
697  
698  
699  
700  
701  
702  
703  
704  
705  
706  
707  
708  
709  
710  
711  
712  
713  
714  
715  
716  
717  
718  
719  
720  
721  
722  
723  
724  
725  
726  
727  
728  
729  
730  
731  
732  
733  
734  
735  
736  
737  
738  
739  
740  
741  
742  
743  
744  
745  
746  
747  
748  
749  
750  
751  
752  
753  
754  
755  
756  
757  
758  
759  
760  
761  
762  
763  
764  
765  
766  
767  
768  
769  
770  
771  
772  
773  
774  
775  
776  
777  
778  
779  
780  
781  
782  
783  
784  
785  
786  
787  
788  
789  
790  
791  
792  
793  
794  
795  
796  
797  
798  
799  
800  
801  
802  
803  
804  
805  
806  
807  
808  
809  
810  
811  
812  
813  
814  
815  
816  
817  
818  
819  
820  
821  
822  
823  
824  
825  
826  
827  
828  
829  
830  
831  
832  
833  
834  
835  
836  
837  
838  
839  
840  
841  
842  
843  
844  
845  
846  
847  
848  
849  
850  
851  
852  
853  
854  
855  
856  
857  
858  
859  
860  
861  
862  
863  
864  
865  
866  
867  
868  
869  
870  
871  
872  
873  
874  
875  
876  
877  
878  
879  
880  
881  
882  
883  
884  
885  
886  
887  
888  
889  
890  
891  
892  
893  
894  
895  
896  
897  
898  
899  
900  
901  
902  
903  
904  
905  
906  
907  
908  
909  
910  
911  
912  
913  
914  
915  
916  
917  
918  
919  
920  
921  
922  
923  
924  
925  
926  
927  
928  
929  
930  
931  
932  
933  
934  
935  
936  
937  
938  
939  
940  
941  
942  
943  
944  
945  
946  
947  
948  
949  
950  
951  
952  
953  
954  
955  
956  
957  
958  
959  
960  
961  
962  
963  
964  
965  
966  
967  
968  
969  
970  
971  
972  
973  
974  
975  
976  
977  
978  
979  
980  
981  
982  
983  
984  
985  
986  
987  
988  
989  
990  
991  
992  
993  
994  
995  
996  
997  
998  
999  
1000  
1001  
1002  
1003  
1004  
1005  
1006  
1007  
1008  
1009  
1010  
1011  
1012  
1013  
1014  
1015  
1016  
1017  
1018  
1019  
1020  
1021  
1022  
1023  
1024  
1025  
1026  
1027  
1028  
1029  
1030  
1031  
1032  
1033  
1034  
1035  
1036  
1037  
1038  
1039  
1040  
1041  
1042  
1043  
1044  
1045  
1046  
1047  
1048  
1049  
1050  
1051  
1052  
1053  
1054  
1055  
1056  
1057  
1058  
1059  
1060  
1061  
1062  
1063  
1064  
1065  
1066  
1067  
1068  
1069  
1070  
1071  
1072  
1073  
1074  
1075  
1076  
1077  
1078  
1079  
1080  
1081  
1082  
1083  
1084  
1085  
1086  
1087  
1088  
1089  
1090  
1091  
1092  
1093  
1094  
1095  
1096  
1097  
1098  
1099  
1100  
1101  
1102  
1103  
1104  
1105  
1106  
1107  
1108  
1109  
1110  
1111  
1112  
1113  
1114  
1115  
1116  
1117  
1118  
1119  
1120  
1121  
1122  
1123  
1124  
1125  
1126  
1127  
1128  
1129  
1130  
1131  
1132  
1133  
1134  
1135  
1136  
1137  
1138  
1139  
1140  
1141  
1142  
1143  
1144  
1145  
1146  
1147  
1148  
1149  
1150  
1151  
1152  
1153  
1154  
1155  
1156  
1157  
1158  
1159  
1160  
1161  
1162  
1163  
1164  
1165  
1166  
1167  
1168  
1169  
1170  
1171  
1172  
1173  
1174  
1175  
1176  
1177  
1178  
1179  
1180  
1181  
1182  
1183  
1184  
1185  
1186  
1187  
1188  
1189  
1190  
1191  
1192  
1193  
1194  
1195  
1196  
1197  
1198  
1199  
1200  
1201  
1202  
1203  
1204  
1205  
1206  
1207  
1208  
1209  
1210  
1211  
1212  
1213  
1214  
1215  
1216  
1217  
1218  
1219  
1220  
1221  
1222  
1223  
1224  
1225  
1226  
1227  
1228  
1229  
1230  
1231  
1232  
1233  
1234  
1235  
1236  
1237  
1238  
1239  
1240  
1241  
1242  
1243  
1244  
1245  
1246  
1247  
1248  
1249  
1250  
1251  
1252  
1253  
1254  
1255  
1256  
1257  
1258  
1259  
1260  
1261  
1262  
1263  
1264  
1265  
1266  
1267  
1268  
1269  
1270  
1271  
1272  
1273  
1274  
1275  
1276  
1277  
1278  
1279  
1280  
1281  
1282  
1283  
1284  
1285  
1286  
1287  
1288  
1289  
1290  
1291  
1292  
1293  
1294  
1295  
1296  
1297  
1298  
1299  
1300  
1301  
1302  
1303  
1304  
1305  
1306  
1307  
1308  
1309  
1310  
1311  
1312  
1313  
1314  
1315  
1316  
1317  
1318  
1319  
1320  
1321  
1322  
1323  
1324  
1325  
1326  
1327  
1328  
1329  
1330  
1331  
1332  
1333  
1334  
1335  
1336  
1337  
1338  
1339  
1340  
1341  
1342  
1343  
1344  
1345  
1346  
1347  
1348  
1349  
1350  
1351  
1352  
1353  
1354  
1355  
1356  
1357  
1358  
1359  
1360  
1361  
1362  
1363  
1364  
1365  
1366  
1367  
1368  
1369  
1370  
1371  
1372  
1373  
1374  
1375  
1376  
1377  
1378  
1379  
1380  
1381  
1382  
1383  
1384  
1385  
1386  
1387  
1388  
1389  
1390  
1391  
1392  
1393  
1394  
1395  
1396  
1397  
1398  
1399  
1400  
1401  
1402  
1403  
1404  
1405  
1406  
1407  
1408  
1409  
1410  
1411  
1412  
1413  
1414  
1415  
1416  
1417  
1418  
1419  
1420  
1421  
1422  
1423  
1424  
1425  
1426  
1427  
1428  
1429  
1430  
1431  
1432  
1433  
1434  
1435  
1436  
1437  
1438  
1439  
1440  
1441  
1442  
1443  
1444  
1445  
1446  
1447  
1448  
1449  
1450  
1451  
1452  
1453  
1454  
1455  
1456  
1457  
1458  
1459  
1460  
1461  
1462  
1463  
1464  
1465  
1466  
1467  
1468  
1469  
1470  
1471  
1472  
1473  
1474  
1475  
1476  
1477  
1478  
1479  
1480  
1481  
1482  
1483  
1484  
1485  
1486  
1487  
1488  
1489  
1490  
1491  
1492  
1493  
1494  
1495  
1496  
1497  
1498  
1499  
1500  
1501  
1502  
1503  
1504  
1505  
1506  
1507  
1508  
1509  
1510  
1511  
1512  
1513  
1514  
1515  
1516  
1517  
1518  
1519  
1520  
1521  
1522  
1523  
1524  
1525  
1526  
1527  
1528  
1529  
1530  
1531  
1532  
1533  
1534  
1535  
1536  
1537  
1538  
1539  
1540  
1541  
1542  
1543  
1544  
1545  
1546  
1547  
1548  
1549  
1550  
1551  
1552  
1553  
1554  
1555  
1556  
1557  
1558  
1559  
1560  
1561  
1562  
1563  
1564  
1565  
1566  
1567  
1568  
1569  
1570  
1571  
1572  
1573  
1574  
1575  
1576  
1577  
1578  
1579  
1580  
1581  
1582  
1583  
1584  
1585  
1586  
1587  
1588  
1589  
1590  
1591  
1592  
1593  
1594  
1595  
1596  
1597  
1598  
1599  
1600  
1601  
1602  
1603  
1604  
1605  
1606  
1607  
1608  
1609  
1610  
1611  
1612  
1613  
1614  
1615  
1616  
1617  
1618  
1619  
1620  
1621  
1622  
1623  
1624  
1625  
1626  
1627  
1628  
1629  
1630  
1631  
1632  
1633  
1634  
1635  
1636  
1637  
1638  
1639  
1640  
1641  
1642  
1643  
1644  
1645  
1646  
1647  
1648  
1649  
1650  
1651  
1652  
1653  
1654  
1655  
1656  
1657  
1658  
1659  
1660  
1661  
1662  
1663  
1664  
1665  
1666  
1667  
1668  
1669  
1670  
1671  
1672  
1673  
1674  
1675  
1676  
1677  
1678  
1679  
1680  
1681  
1682  
1683  
1684  
1685  
1686  
1687  
1688  
1689  
1690  
1691  
1692  
1693  
1694  
1695  
1696  
1697  
1698  
1699  
1700  
1701  
1702  
1703  
1704  
1705  
1706  
1707  
1708  
1709  
1710  
1711  
1712  
1713  
1714  
1715  
1716  
1717  
1718  
1719  
1720  
1721  
1722  
1723  
1724  
1725  
1726  
1727  
1728  
1729  
1730  
1731  
1732  
1733  
1734  
1735  
1736  
1737  
1738  
1739  
1740  
1741  
1742  
1743  
1744  
1745  
1746  
1747  
1748  
1749  
1750  
1751  
1752  
1753  
1754  
1755  
1756  
1757  
1758  
1759  
1760  
1761  
1762  
1763  
1764  
1765  
1766  
1767  
1768  
1769  
1770  
1771  
1772  
1773  
1774  
1775  
1776  
1777  
1778  
1779  
1780  
1781  
1782  
1783  
1784  
1785  
1786  
1787  
1788  
1789  
1790  
1791  
1792  
1793  
1794  
1795  
1796  
1797  
1798  
1799  
1800  
1801  
1802  
1803  
1804  
1805  
1806  
1807  
1808  
1809  
1810  
1811  
1812  
1813  
1814  
1815  
1816  
1817  
1818  
1819  
1820  
1821  
1822  
1823  
1824  
1825  
1826  
1827  
1828  
1829  
1830  
1831  
1832  
1833  
1834  
1835  
1836  
1837  
1838  
1839  
1840  
1841  
1842  
1843  
1844  
1845  
1846  
1847  
1848  
1849  
1850  
1851  
1852  
1853  
1854  
1855  
1856  
1857  
1858  
1859  
1860  
1861  
1862  
1863  
1864  
1865  
1866  
1867  
1868  
1869  
1870  
1871  
1872  
1873  
1874  
1875  
1876  
1877  
1878  
1879  
1880  
1881  
1882  
1883  
1884  
1885  
1886  
1887  
1888  
1889  
1890  
1891  
1892  
1893  
1894  
1895  
1896  
1897  
1898  
1899  
1900  
1901  
1902  
1903  
1904  
1905  
1906  
1907  
1908  
1909  
1910  
1911  
1912  
1913  
1914  
1915  
1916  
1917  
1918  
1919  
1920  
1921  
1922  
1923  
1924  
1925  
1926  
1927  
1928  
1929  
1930  
1931  
1932  
1933  
1934  
1935  
1936  
1937  
1938  
1939  
1940  
1941  
1942  
1943  
1944  
1945  
1946  
1947  
1948  
1949  
1950  
1951  
1952  
1953  
1954  
1955  
1956  
1957  
1958  
1959  
1960  
1961  
1962  
1963  
1964  
1965  
1966  
1967  
1968  
1969  
1970  
1971  
1972  
1973  
1974  
1975  
1976  
1977  
1978  
1979  
1980  
1981  
1982  
1983  
1984  
1985  
1986  
1987  
1988  
1989  
1990  
1991  
1992  
1993  
1994  
1995  
1996  
1997  
1998  
1999  
2000  
2001  
2002  
2003  
2004  
2005  
2006  
2007  
2008  
2009  
2010  
2011  
2012  
2013  
2014  
2015  
2016  
2017  
2018  
2019  
2020  
2021  
2022  
2023  
2024  
2025  
2026  
2027  
2028  
2029  
2030  
2031  
2032  
2033  
2034  
2035  
2036  
2037  
2038  
2039  
2040  
2041  
2042  
2043  
2044  
2045  
2046  
2047  
2048  
2049  
2050  
2051  
2052  
2053  
2054  
2055  
2056  
2057  
2058  
2059  
2060  
2061  
2062  
2063  
2064  
2065  
2066  
2067  
2068  
2069  
2070  
2071  
2072  
2073  
2074  
2075  
2076  
2077  
2078  
2079  
2080  
2081  
2082  
2083  
2084  
2085  
2086  
2087  
2088  
2089  
2090  
2091  
2092  
2093  
2094  
2095  
2096  
2097  
2098  
2099  
2100  
2101  
2102  
2103  
2104  
2105  
2106  
2107  
2108  
2109  
2110  
2111  
2112  
2113  
2114  
2115  
2116  
2117  
2118  
2119  
2120  
2121  
2122  
2123  
2124  
2125  
2126  
2127  
2128  
2129  
2130  
2131  
2132  
2133  
2134  
2135  
2136  
2137  
2138  
2139  
2140  
2141  
2142  
2143  
2144  
2145  
2146  
2147  
2148  
2149  
2150  
2151  
2152  
2153  
2154  
2155  
2156  
2157  
2158  
2159  
2160  
2161  
2162  
2163  
2164  
2165  
2166  
2167  
2168  
2169  
2170  
2171  
2172  
2173  
2174  
2175  
2176  
2177  
2178  
2179  
2180  
2181  
2182  
2183  
2184  
2185  
2186  
2187  
2188  
2189  
2190  
2191  
2192  
2193  
2194  
2195  
2196  
2197  
2198  
2199  
2200  
2201  
2202  
2203  
2204  
2205  
2206  
2207  
2208  
2209  
2210  
2211  
2212  
2213  
2214  
2215  
2216  
2217

This deed of trust lien is subordinate to that certain Deed of Trust, dated July 6, 2007, between Royce J. Hassell and Silvia T. Hassell, as Grantor, James W. Goolsby, Jr., as Trustee, and Sterling Bank, as Beneficiary, recorded at File Code 2007-0423777.

**OTHER EXCEPTIONS TO CONVEYANCE AND WARRANTY:**

Subject to any and all valid and subsisting restrictions, easements, rights of way, mineral and royalty reservations, maintenance charges, zoning laws, ordinances of municipal and/or other governmental authorities, conditions and covenants, if any, applicable to and enforceable against the Property and properly of record respectively in the office of the County Clerk of the county in which the Property is located in whole or in part.

For value received and to secure payment of the Note, Grantor conveys all right, title and interest in, to and under the Property to Trustee in trust. Grantor warrants and agrees to defend the title to the property. If Grantor performs all the covenants and there is no Event of Default under this Deed of Trust, this Deed of Trust shall have no further effect, and Beneficiary shall release it at Grantor's expense.

**GRANTOR'S OBLIGATIONS AND EVENTS OF DEFAULT:**

Grantor agrees to:

1. keep the property in good repair and condition;
2. pay all taxes and assessments on the property when due;
3. preserve the respective Lien's priority as it is established in this Deed of Trust; and
4. maintain the current insurance on the real property for the full replacement value of all improvements with Grantor as beneficiaries; and

The failure of Grantor to comply with any of the foregoing four (4) obligations after thirty (30) days written notice to comply shall constitute an Event of Default.

If (a) Grantor is in default under the Trustmark Loan, (b) Beneficiary has paid any amount under the Jim Hassell Guaranty, and (c) Grantor does not reimburse Beneficiary all such amounts paid by Beneficiary in full after sixty (60) days written notice, then, upon the condition that all of these three events have occurred, there is an Event of Default.

**BENEFICIARY'S RIGHTS:**

1. Beneficiary may appoint in writing a substitute or successor trustee, succeeding to all rights and responsibilities of Trustee.

2. If there is an Event of Default, Beneficiary may:

- a. request Trustee to foreclose this Lien, in which case Beneficiary or Beneficiary's agent shall give notice of the foreclosure sale as provided by the Texas Property Code as then amended; and
- b. purchase the property at any foreclosure sale by offering the highest bid and then have the bid credited to the Note.

#### TRUSTEE'S DUTIES:

If requested by Beneficiary to foreclose this Lien, Trustee shall:

1. either personally or by agent give notice of the foreclosure sale as required by the Texas Property Code as then amended;
2. sell and convey all or part of the property to the highest bidder for cash with a general warranty binding Grantor, subject to prior liens and to other exceptions to conveyance and warranty; and
3. from the proceeds of the sale, pay, in this order:
  - a. expenses of foreclosure, including a commission to Trustee of 5% of the bid;
  - b. to Beneficiary, the full amount paid by Beneficiary under the Jim Hassell Guaranty;
  - c. any amounts required by law to be paid before payment to Grantor; and
  - d. to Grantor, any balance.

#### GENERAL PROVISIONS:

1. If any of the Property is sold under this Deed of Trust, Grantor shall immediately surrender possession to the purchaser. If Grantor fails to do so, Grantor shall become a tenant at sufferance of the purchaser, subject to an action for forcible detainer.
2. Recitals in any Trustee's deed conveying the property will be presumed to be true.
3. Proceeding under this Deed of Trust, filing suit for foreclosure, or pursuing any other remedy will not constitute an election of remedies.
4. This lien shall remain superior to liens later created even if the time of payment of all or part of the Note is extended or part of the property is released.

5. If there is a casualty loss which can be restored to the pre-loss condition of the Property with the proceeds from the insurance, then Grantor shall so restore the Property to the its pre-loss condition. If there is any other casualty loss or a whole or partial condemnation of the Property, then Grantor shall receive the proceeds from the insurance or the condemning authority and deposit those proceeds in a certificate of deposit with a market interest rate. Grantor grants a security interest to Beneficiary in the right to receive those proceeds, in the proceeds, and in the certificate of deposit. Grantor agrees to sign any documents necessary to perfect this security interest and agreement. Grantor also grants a limited power of attorney to Beneficiary to sign any document necessary to perfect this security interest and agreement. The rights in this paragraph are subordinate to any respective prior deed of trust lien or vendor's lien.

6. When context requires, singular nouns and pronouns include the plural.

7. This Deed of Trust shall bind, inure to the benefit of, and be exercised by successors in interest of all parties.

8. If Grantor and Maker are not the same person, the "Grantor" shall include Maker.

9. As evidence of the discharge of Grantor's responsibility to pay all taxes and assessments and to keep said premises insured, Grantor shall deliver to any holder of the indebtedness the official receipts for said taxes and assessments before the same shall become delinquent and shall deliver to any holder of the indebtedness receipts showing said insurance premiums as having been paid in advance for each succeeding year for any and all parcels of secured property named herein.

10. Beneficiary may remedy any Event of Default without waiving it and may waive any Event of Default without waiving any prior or subsequent Even of Default.

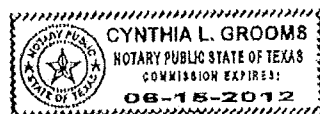
  
ROYCE J. HASSELL

  
SILVIA T. HASSELL

STATE OF TEXAS §

COUNTY OF HARRIS §

This instrument was acknowledged before me on this 18<sup>th</sup> day of June, 2011, by Royce J. Hassell.



  
Notary Public -- State of Texas

STATE OF TEXAS       §  
                                  §  
COUNTY OF HARRIS   §

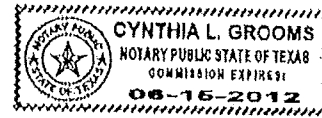
This instrument was acknowledged before me on this 18<sup>th</sup> day of June, 2011, by Silvia T. Hassell.

  
\_\_\_\_\_  
Notary Public -- State of Texas

AFTER RECORDING PLEASE RETURN TO:

Shawn Potts  
25034 Huffsmith Cemetery Road  
Tomball, TX 77375

//

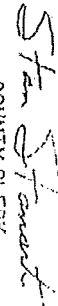


ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL  
PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.  
THE STATE OF TEXAS  
COUNTY OF HARRIS  
I hereby certify that this instrument was filed in File Number Sequence on the date and at the time  
stamped hereon by me, and was duly RECORDED, in the Official Public Records of Real Property of Harris  
County, Texas.

JUL 19 2011



  
COUNTY CLERK  
HARRIS COUNTY, TEXAS

  
COUNTY CLERK  
HARRIS COUNTY, TEXAS

2011 JUL 19 PM 3:00

FILED

RELEASE

1. Definitions

Deed of Trust shall mean that certain Deed of Trust, dated June 13, 2011, between Royce J. and Silvia T. Hassell, as Grantor, Shawn Potts, as Trustee, and Vista Bank, as Beneficiary, and recorded at File No. 20110297122 of the Official Real Property Records of Harris County, Texas;

Property shall mean the real property described in the Deed of Trust;

Liens shall mean any and all claims, vendor's liens, deed of trust liens, security interests, or other liens, charges, or encumbrances against the Property;

Holder shall mean the undersigned as the sole owner of all right, title and interest in, to or under the Debt, the Deed of Trust, and the Liens who has not otherwise pledged, assigned, conveyed or transferred, or agreed to pledge, assign, convey or transfer, any whole or part of any right, title and interest in, to or under the Debt, the Deed of Trust, and the Liens

Maker shall mean each person obligated under the Debt.

2. Recitals

Maker has now paid the Debt secured by the Liens. Holder executes this Release to release and discharge the Liens.

3. Text

For good and valuable consideration (the receipt and sufficiency of which has been acknowledged), the Holder, through the undersigned fully authorized and binding signature, do **HEREBY RELEASE, ACQUIT AND FOREVER DISCHARGE**, and by this instrument do **RELEASE, ACQUIT AND FOREVER DISCHARGE**, the Liens and do hereby **CONFIRM**, and by this instrument do **CONFIRM**, that the Property is free and clear of the Liens.

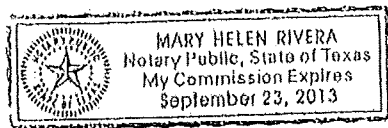
Signed this 31 day of August, 2011 at 1522 Cottrell, Harris County, Texas.

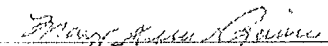
By:   
Name: SHAWN POTTS  
Position: Trustee

State of Texas

County of Harris

This instrument was acknowledged before me on the 31 day of August, 2011 by Shawn Potts, Trustee.



  
Notary Public - State of Texas

After Recording, Please Return:

Royce J. Hassell  
P.O. Box 20487  
Houston, TX 77225

## EXHIBIT "H"

20110297120  
07/19/2011 RPT 432.00

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER

### DEED OF TRUST

DATE: June 13, 2011

GRANTOR: Royce J. Hassell and Silvia T. Hassell

GRANTOR'S MAILING ADDRESS (INCLUDING COUNTY):

P. O. Box 20487, Houston, Harris County, Texas 77225-0487

TRUSTEE: Shawn Potts, Trustee

TRUSTEE'S MAILING ADDRESS (INCLUDING COUNTY):

25034 Huffsmith Cemetery Road, Tomball Texas 77375

BENEFICIARY: Vista Bank

BENEFICIARY'S MAILING ADDRESS (INCLUDING COUNTY):

14561 Northwest Freeway, Houston, Harris County, Texas 77040

INSTRUMENT SECURED:

James C. Hassell's obligation as a guarantor to pay any principal, interest or other amount based upon any funds received by R. Hassell under that certain Line of Credit between Jim Hassell, as Borrower, and Vista Bank, as Lender (and any amendments, extensions, renewals, substitutions, modifications, and supplements) in an amount never to exceed the principal amount of \$2,500,000 plus any accrued interest thereon (the "Obligation").

PROPERTY (INCLUDING ANY IMPROVEMENTS):

This is a deed of trust lien against that certain real property located respectively at 6421 Buffalo Speedway, Houston, Harris County, Texas and more particularly described as the South Fifty Feet (S. 50') of Lots Nine (9), in Block Twelve (12), of WEST UNIVERSITY PLACE, an addition in Harris County, Texas, according to the map or plat thereof, recorded in Volume 444, Page 563 of the Official Real Property Records of Harris County, Texas. (the "Property").



This deed of trust lien is subordinate to that certain Deed of Trust, dated August 7, 2007, between Royce J. Hassell and Silvia T. Hassell, as Grantor, Daryl D. Bohls, as Trustee, and Allegiance Bank Texas, as Beneficiary, recorded at File Code 2009-0367116 of the Official Real Property Records of Harris County, Texas as modified by that certain Modification of Deed of Trust, dated August 8, 2010, between Royce J. Hassell and Silvia T. Hassell, on one hand, and Allegiance Bank Texas, as Beneficiary, on the other hand, recorded at File Code 2010-0393975 of the Official Real Property Records of Harris County, Texas.

**OTHER EXCEPTIONS TO CONVEYANCE AND WARRANTY:**

Subject to any and all valid and subsisting restrictions, easements, rights of way, mineral and royalty reservations, maintenance charges, zoning laws, ordinances of municipal and/or other governmental authorities, conditions and covenants, if any, applicable to and enforceable against the Property and properly of record respectively in the office of the County Clerk of the county in which the Property is located in whole or in part.

For value received and to secure payment of the Note, Grantor conveys all right, title and interest in, to and under the Property to Trustee in trust. Grantor warrants and agrees to defend the title to the property. If Grantor performs all the covenants and there is no Event of Default under this Deed of Trust, this Deed of Trust shall have no further effect, and Beneficiary shall release it at Grantor's expense.

**GRANTOR'S OBLIGATIONS AND EVENTS OF DEFAULT:**

Grantor agrees to:

1. keep the property in good repair and condition;
2. pay all taxes and assessments on the property when due;
3. preserve the respective Lien's priority as it is established in this Deed of Trust; and
4. maintain the current insurance on the real property for the full replacement value of all improvements with Grantor as beneficiaries; and

The failure of Grantor to comply with any of the foregoing four (4) obligations after thirty (30) days written notice to comply shall constitute an Event of Default.

If (a) Grantor is in default under the Allegiance Loan, (b) Beneficiary has paid any amount under the Jim Hassell Guaranty, and (c) Grantor does not reimburse Beneficiary all such amounts

paid by Beneficiary in full after sixty (60) days written notice, then, upon the condition that all of these three events have occurred, there is an Event of Default.

**BENEFICIARY'S RIGHTS:**

1. Beneficiary may appoint in writing a substitute or successor trustee, succeeding to all rights and responsibilities of Trustee.
2. If there is an Event of Default, Beneficiary may:
  - a. request Trustee to foreclose this Lien, in which case Beneficiary or Beneficiary's agent shall give notice of the foreclosure sale as provided by the Texas Property Code as then amended; and
  - b. purchase the property at any foreclosure sale by offering the highest bid and then have the bid credited to the Note.

**TRUSTEE'S DUTIES:**

If requested by Beneficiary to foreclose this Lien, Trustee shall:

1. either personally or by agent give notice of the foreclosure sale as required by the Texas Property Code as then amended;
2. sell and convey all or part of the property to the highest bidder for cash with a general warranty binding Grantor, subject to prior liens and to other exceptions to conveyance and warranty; and
3. from the proceeds of the sale, pay, in this order:
  - a. expenses of foreclosure, including a commission to Trustee of 5% of the bid;
  - b. to Beneficiary, the full amount paid by Beneficiary under the Jim Hassell Guaranty;
  - c. any amounts required by law to be paid before payment to Grantor; and
  - d. to Grantor, any balance.

**GENERAL PROVISIONS:**

1. If any of the Property is sold under this Deed of Trust, Grantor shall immediately surrender possession to the purchaser. If Grantor fails to do so, Grantor shall become a tenant at sufferance of the purchaser, subject to an action for forcible detainer.
2. Recitals in any Trustee's deed conveying the property will be presumed to be true.

3. Proceeding under this Deed of Trust, filing suit for foreclosure, or pursuing any other remedy will not constitute an election of remedies.

4. This lien shall remain superior to liens later created even if the time of payment of all or part of the Note is extended or part of the property is released.

5. If there is a casualty loss which can be restored to the pre-loss condition of the Property with the proceeds from the insurance, then Grantor shall so restore the Property to the its pre-loss condition. If there is any other casualty loss or a whole or partial condemnation of the Property, then Grantor shall receive the proceeds from the insurance or the condemning authority and deposit those proceeds in a certificate of deposit with a market interest rate. Grantor grants a security interest to Beneficiary in the right to receive those proceeds, in the proceeds, and in the certificate of deposit. Grantor agrees to sign any documents necessary to perfect this security interest and agreement. Grantor also grants a limited power of attorney to Beneficiary to sign any document necessary to perfect this security interest and agreement. The rights in this paragraph are subordinate to any respective prior deed of trust lien or vendor's lien.

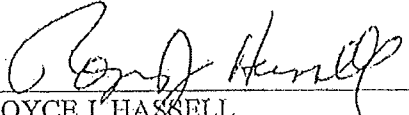
6. When context requires, singular nouns and pronouns include the plural.

7. This Deed of Trust shall bind, inure to the benefit of, and be exercised by successors in interest of all parties.

8. If Grantor and Maker are not the same person, the "Grantor" shall include Maker.

9. As evidence of the discharge of Grantor's responsibility to pay all taxes and assessments and to keep said premises insured, Grantor shall deliver to any holder of the indebtedness the official receipts for said taxes and assessments before the same shall become delinquent and shall deliver to any holder of the indebtedness receipts showing said insurance premiums as having been paid in advance for each succeeding year for any and all parcels of secured property named herein.

10. Beneficiary may remedy any Event of Default without waiving it and may waive any Event of Default without waiving any prior or subsequent Even of Default.

  
ROYCE J. HASSELL

  
SILVIA T. HASSELL

207

STATE OF TEXAS       §  
                                  §  
COUNTY OF HARRIS   §

This instrument was acknowledged before me on this 18<sup>th</sup> day of June, 2011, by Royce J. Hassell.



Cynthia L. Grooms  
Notary Public -- State of Texas

STATE OF TEXAS       §  
                                  §  
COUNTY OF HARRIS   §

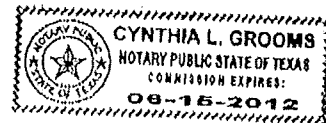
This instrument was acknowledged before me on this 18<sup>th</sup> day of June, 2011, by Silvia T. Hassell.

Cynthia L. Grooms  
Notary Public -- State of Texas

**AFTER RECORDING PLEASE RETURN TO:**

Shawn Potts  
25034 Huffsmith Cemetery Road  
Tomball, tx 77375

✓



ANY INSTRUMENT IN WHICH PROVISIONS RESTRICT THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.  
THE STATE OF TEXAS  
COUNTY OF HARRIS  
I hereby certify that this instrument was FILED in the Number Sequence on the date and at the place stamped herein by me, and was duly RECORDED, in the Official Public Records of Real Property of Harris County, Texas.

JUL 19 2011



Stan Stanist  
COUNTY CLERK  
HARRIS COUNTY, TEXAS

FILED  
2011 JUL 19 PM 3:00  
Stan Stanist  
COUNTY CLERK  
HARRIS COUNTY, TEXAS

RELEASE

1. Definitions

Deed of Trust shall mean that certain Deed of Trust, dated June 13, 2011, between Royce J. and Silvia T. Hassell, as Grantor, Shawn Potts, as Trustee, and Vista Bank, as Beneficiary, and recorded at File No. 20110297120 of the Official Real Property Records of Harris County, Texas;

Property shall mean the real property described in the Deed of Trust;

Liens shall mean any and all claims, vendor's liens, deed of trust liens, security interests, or other liens, charges, or encumbrances against the Property;

Holder shall mean the undersigned as the sole owner of all right, title and interest in, to or under the Debt, the Deed of Trust, and the Liens who has not otherwise pledged, assigned, conveyed or transferred, or agreed to pledge, assign, convey or transfer, any whole or part of any right, title and interest in, to or under the Debt, the Deed of Trust, and the Liens

Maker shall mean each person obligated under the Debt.

2. Recitals

Maker has now paid the Debt secured by the Liens. Holder executes this Release to release and discharge the Liens.

3. Text

For good and valuable consideration (the receipt and sufficiency of which has been acknowledged), the Holder, through the undersigned fully authorized and binding signature, do **HEREBY RELEASE, ACQUIT AND FOREVER DISCHARGE**, and by this instrument do **RELEASE, ACQUIT AND FOREVER DISCHARGE**, the Liens and do hereby **CONFIRM**, and by this instrument do **CONFIRM**, that the Property is free and clear of the Liens.

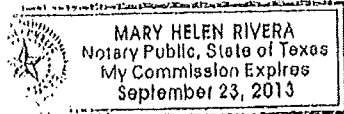
Signed this 31 day of August, 2011 at 12522 Cottrell Harris County, Texas.

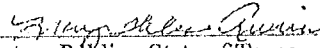
By: Shawn Potts  
Name: SHAWN POTTS  
Position: Trustee

State of Texas

County of Harris

This instrument was acknowledged before me on the 1st day of August, 2011 by Shawn Potts, Trustee.



  
Notary Public - State of Texas

After Recording, Please Return:

Royce J. Hassell  
P.O. Box 20487  
Houston, TX 77225

## EXHIBIT "I"

20120229234  
05/24/2012 RP2 \$32.00

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER

### DEED OF TRUST

DATE: May 1, 2012

GRANTOR: Royce J. Hassell and Silvia T. Hassell

#### GRANTOR'S MAILING ADDRESS (INCLUDING COUNTY):

P. O. Box 20487, Houston, Harris County, Texas 77225-0487

TRUSTEE: Shaw Potts, Trustee

#### TRUSTEE'S MAILING ADDRESS (INCLUDING COUNTY):

25034 Huffsmith Cemetery Road, Tomball, Texas 77375

BENEFICIARY: James C. Hassell

#### BENEFICIARY'S MAILING ADDRESS (INCLUDING COUNTY):

12211 Duncan Road, Houston, Harris County, Texas 77056

#### INSTRUMENT SECURED:

James C. Hassell's obligation as a guarantor to pay any principal, interest or other amount based upon any funds received by R. Hassell & Co., Inc. (or its affiliated companies) under that certain Line of Credit between Hassell Construction Company, Inc., as Borrower, and Vista Bank, as Lender (and any amendments, extensions, renewals, substitutions, modifications, and supplements) in an amount never to exceed the principal amount of R. Hassell's current obligation on the Line of Credit plus any accrued interest thereon (the "Obligation").

#### PROPERTY (INCLUDING ANY IMPROVEMENTS):

This is a deed of trust lien against that certain real property located 6417 Buffalo Speedway, Houston, Harris County, Texas and more particularly described as the North Fifty Feet (N. 50') of Block Nine (9), in Block Twelve (12), of WEST UNIVERSITY PLACE, an addition in Harris County, Texas, according to the map or plat thereof, recorded in Volume 444, Page 563 of the Official Real Property Records of Harris County, Texas. (the "Property").

This deed of trust lien is subordinate to that certain Deed of Trust, dated July 6, 2007, between Royce J. Hassell and Silvia T. Hassell, as Grantor, James W. Goolsby, Jr., as Trustee, and Sterling Bank, as Beneficiary, recorded at File Code 2007-0423777.

**OTHER EXCEPTIONS TO CONVEYANCE AND WARRANTY:**

Subject to any and all valid and subsisting restrictions, easements, rights of way, mineral and royalty reservations, maintenance charges, zoning laws, ordinances of municipal and/or other governmental authorities, conditions and covenants, if any, applicable to and enforceable against the Property and properly of record respectively in the office of the County Clerk of the county in which the Property is located in whole or in part.

For value received and to secure payment of the Note, Grantor conveys all right, title and interest in, to and under the Property to Trustee in trust. Grantor warrants and agrees to defend the title to the property. If Grantor performs all the covenants and there is no Event of Default under this Deed of Trust, this Deed of Trust shall have no further effect, and Beneficiary shall release it at Grantor's expense.

**GRANTOR'S OBLIGATIONS AND EVENTS OF DEFAULT:**

Grantor agrees to:

1. keep the property in good repair and condition;
  2. pay all taxes and assessments on the property when due;
  3. preserve the respective Lien's priority as it is established in this Deed of Trust;
- and
4. maintain the current insurance on the real property for the full replacement value of all improvements with Grantor as beneficiaries; and

The failure of Grantor to comply with any of the foregoing four (4) obligations after thirty (30) days written notice to comply shall constitute an Event of Default.

If (a) Beneficiary has paid any amount under the Obligation, and (c) Grantor does not reimburse Beneficiary all such amounts paid by Beneficiary in full after sixty (60) days written notice, then, upon the condition that all of these two events have occurred, there is an Event of Default.

**BENEFICIARY'S RIGHTS:**



1. Beneficiary may appoint in writing a substitute or successor trustee, succeeding to all rights and responsibilities of Trustee.

2. If there is an Event of Default, Beneficiary may:

- a. request Trustee to foreclose this Lien, in which case Beneficiary or Beneficiary's agent shall give notice of the foreclosure sale as provided by the Texas Property Code as then amended; and
- b. purchase the property at any foreclosure sale by offering the highest bid and then have the bid credited to the Note.

#### **TRUSTEE'S DUTIES:**

If requested by Beneficiary to foreclose this Lien, Trustee shall:

1. either personally or by agent give notice of the foreclosure sale as required by the Texas Property Code as then amended;

2. sell and convey all or part of the property to the highest bidder for cash with a general warranty binding Grantor, subject to prior liens and to other exceptions to conveyance and warranty; and

3. from the proceeds of the sale, pay, in this order:

- a. expenses of foreclosure, including a commission to Trustee of 5% of the bid;
- b. to Beneficiary, the full amount paid by Beneficiary under the Obligation;
- c. any amounts required by law to be paid before payment to Grantor; and
- d. to Grantor, any balance.

#### **GENERAL PROVISIONS:**

1. If any of the Property is sold under this Deed of Trust, Grantor shall immediately surrender possession to the purchaser. If Grantor fails to do so, Grantor shall become a tenant at sufferance of the purchaser, subject to an action for forcible detainer.

2. Recitals in any Trustee's deed conveying the property will be presumed to be true.

3. Proceeding under this Deed of Trust, filing suit for foreclosure, or pursuing any other remedy will not constitute an election of remedies.

4. This lien shall remain superior to liens later created even if the time of payment of all or part of the Note is extended or part of the property is released.

5. If there is a casualty loss which can be restored to the pre-loss condition of the Property with the proceeds from the insurance, then Grantor shall so restore the Property to the its pre-loss condition. If there is any other casualty loss or a whole or partial condemnation of the Property, then Grantor shall receive the proceeds from the insurance or the condemning authority and deposit those proceeds in a certificate of deposit with a market interest rate. Grantor grants a security interest to Beneficiary in the right to receive those proceeds, in the proceeds, and in the certificate of deposit. Grantor agrees to sign any documents necessary to perfect this security interest and agreement. Grantor also grants a limited power of attorney to Beneficiary to sign any document necessary to perfect this security interest and agreement. The rights in this paragraph are subordinate to any respective prior deed of trust lien or vendor's lien.


6. When context requires, singular nouns and pronouns include the plural.

7. This Deed of Trust shall bind, inure to the benefit of, and be exercised by successors in interest of all parties.

8. If Grantor and Maker are not the same person, the "Grantor" shall include Maker.

9. As evidence of the discharge of Grantor's responsibility to pay all taxes and assessments and to keep said premises insured, Grantor shall deliver to any holder of the indebtedness the official receipts for said taxes and assessments before the same shall become delinquent and shall deliver to any holder of the indebtedness receipts showing said insurance premiums as having been paid in advance for each succeeding year for any and all parcels of secured property named herein.

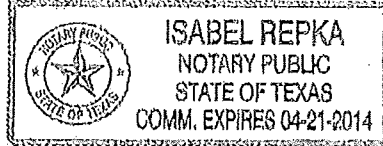
10. Beneficiary may remedy any Event of Default without waiving it and may waive any Event of Default without waiving any prior or subsequent Even of Default.

  
ROYCE J. HASSELL

  
SILVIA T. HASSELL

STATE OF TEXAS       §  
                                  §  
COUNTY OF HARRIS   §

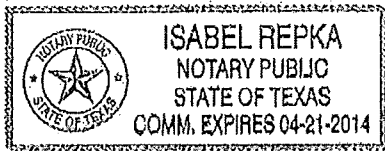
This instrument was acknowledged before me on this 23<sup>rd</sup> day of May, 2012,  
by Royce J. Hassell.



Isabel Repka  
Notary Public -- State of Texas

STATE OF TEXAS       §  
                                  §  
COUNTY OF HARRIS   §

This instrument was acknowledged before me on this 23<sup>rd</sup> day of May, 2012,  
by Silvia T. Hassell.



Isabel Repka  
Notary Public -- State of Texas

AFTER RECORDING PLEASE RETURN TO: ✓

Shawn Potts  
25034 Huffsmith Cemetery Road  
Tomball, Texas 77375

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL  
PROPERTY BECAUSE OF COLOR OR RACE IS VOID AND IS UNENFORCEABLE UNDER FEDERAL LAW.  
THE STATE OF TEXAS  
COUNTY OF HARRIS  
I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time  
stamped hereon by me, and was duly RECORDED, in the Official Public Records of Real Property of Harris  
County, Texas

MAY 24 2012



Stan Stewart  
COUNTY CLERK  
HARRIS COUNTY, TEXAS

FILED  
2012 MAY 24 PM 2:37  
Stan Stewart  
COUNTY CLERK  
HARRIS COUNTY, TEXAS

## EXHIBIT "J"

20120329237  
05/24/2012 RP2 \$32.00

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER

### DEED OF TRUST

DATE: May 1, 2012

GRANTOR: Royce J. Hassell and Silvia T. Hassell

#### GRANTOR'S MAILING ADDRESS (INCLUDING COUNTY):

P. O. Box 20487, Houston, Harris County, Texas 77225-0487

TRUSTEE: Shaw Potts, Trustee

#### TRUSTEE'S MAILING ADDRESS (INCLUDING COUNTY):

25034 Huffsmith Cemetery Road, Tomball, Texas 77375

BENEFICIARY: James C. Hassell

#### BENEFICIARY'S MAILING ADDRESS (INCLUDING COUNTY):

12211 Duncan Road, Houston, Harris County, Texas 77056

#### INSTRUMENT SECURED:

James C. Hassell's obligation as a guarantor to pay any principal, interest or other amount based upon any funds received by R. Hassell & Co., Inc. (or its affiliated companies) under that certain Line of Credit between Hassell Construction Company, Inc., as Borrower, and Vista Bank, as Lender (and any amendments, extensions, renewals, substitutions, modifications, and supplements) in an amount never to exceed the principal amount of R. Hassell's current obligation on the Line of Credit plus any accrued interest thereon (the "Obligation").

#### PROPERTY (INCLUDING ANY IMPROVEMENTS):

This is a deed of trust lien against that certain real property located respectively at 6421 Buffalo Speedway, Houston, Harris County, Texas and more particularly described as the South Fifty Feet (S. 50') of Lots Nine (9), in Block Twelve (12), of WEST UNIVERSITY PLACE, an addition in Harris County, Texas, according to the map or plat thereof, recorded in Volume 444, Page 563 of the Official Real Property Records of Harris County, Texas. (the "Property").

**BENEFICIARY'S RIGHTS:**

1. Beneficiary may appoint in writing a substitute or successor trustee, succeeding to all rights and responsibilities of Trustee.
2. If there is an Event of Default, Beneficiary may:
  - a. request Trustee to foreclose this Lien, in which case Beneficiary or Beneficiary's agent shall give notice of the foreclosure sale as provided by the Texas Property Code as then amended; and
  - b. purchase the property at any foreclosure sale by offering the highest bid and then have the bid credited to the Note.

**TRUSTEE'S DUTIES:**

If requested by Beneficiary to foreclose this Lien, Trustee shall:

1. either personally or by agent give notice of the foreclosure sale as required by the Texas Property Code as then amended;
2. sell and convey all or part of the property to the highest bidder for cash with a general warranty binding Grantor, subject to prior liens and to other exceptions to conveyance and warranty; and
3. from the proceeds of the sale, pay, in this order:
  - a. expenses of foreclosure, including a commission to Trustee of 5% of the bid;
  - b. to Beneficiary, the full amount paid by Beneficiary under the Obligation;
  - c. any amounts required by law to be paid before payment to Grantor; and
  - d. to Grantor, any balance.

**GENERAL PROVISIONS:**

1. If any of the Property is sold under this Deed of Trust, Grantor shall immediately surrender possession to the purchaser. If Grantor fails to do so, Grantor shall become a tenant at sufferance of the purchaser, subject to an action for forcible detainer.
2. Recitals in any Trustee's deed conveying the property will be presumed to be true.
3. Proceeding under this Deed of Trust, filing suit for foreclosure, or pursuing any other remedy will not constitute an election of remedies.

4. This lien shall remain superior to liens later created even if the time of payment of all or part of the Note is extended or part of the property is released.

5. If there is a casualty loss which can be restored to the pre-loss condition of the Property with the proceeds from the insurance, then Grantor shall so restore the Property to the its pre-loss condition. If there is any other casualty loss or a whole or partial condemnation of the Property, then Grantor shall receive the proceeds from the insurance or the condemning authority and deposit those proceeds in a certificate of deposit with a market interest rate. Grantor grants a security interest to Beneficiary in the right to receive those proceeds, in the proceeds, and in the certificate of deposit. Grantor agrees to sign any documents necessary to perfect this security interest and agreement. Grantor also grants a limited power of attorney to Beneficiary to sign any document necessary to perfect this security interest and agreement. The rights in this paragraph are subordinate to any respective prior deed of trust lien or vendor's lien.

6. When context requires, singular nouns and pronouns include the plural.

7. This Deed of Trust shall bind, inure to the benefit of, and be exercised by successors in interest of all parties.

8. If Grantor and Maker are not the same person, the "Grantor" shall include Maker.

9. As evidence of the discharge of Grantor's responsibility to pay all taxes and assessments and to keep said premises insured, Grantor shall deliver to any holder of the indebtedness the official receipts for said taxes and assessments before the same shall become delinquent and shall deliver to any holder of the indebtedness receipts showing said insurance premiums as having been paid in advance for each succeeding year for any and all parcels of secured property named herein.

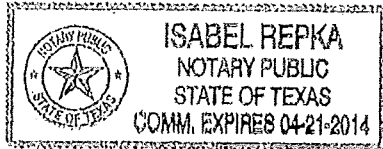
10. Beneficiary may remedy any Event of Default without waiving it and may waive any Event of Default without waiving any prior or subsequent Even of Default.

  
ROYCE J. HASSELL

  
SILVIA T. HASSELL

STATE OF TEXAS       §  
                                   §  
 COUNTY OF HARRIS   §

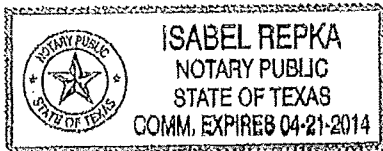
This instrument was acknowledged before me on this 23<sup>rd</sup> day of May, 2012,  
 by Royce J. Hassell.



Isabel Repka  
 Notary Public -- State of Texas

STATE OF TEXAS       §  
                                   §  
 COUNTY OF HARRIS   §

This instrument was acknowledged before me on this 23<sup>rd</sup> day of May, 2012,  
 by Silvia T. Hassell.



Isabel Repka  
 Notary Public -- State of Texas

AFTER RECORDING PLEASE RETURN TO:

Shawn Potts  
 25034 Huffsmith Cemetery Road  
 Tomball, Texas 77375

ANY PROVISION HEREIN WHICH RESTRICTS THE SALE, RENTAL, OR USE OF THE DESCRIBED REAL  
 PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.  
 THE STATE OF TEXAS  
 COUNTY OF HARRIS  
 I hereby certify that this instrument was FILED in File Number Sequence on the date and at the time  
 stamped hereon by me, and was duly RECORDED, in the Official Public Records of Real Property of Harris  
 County, Texas

MAY 24 2012



Stan Stewart  
 COUNTY CLERK  
 HARRIS COUNTY, TEXAS

Stan Stewart  
 COUNTY CLERK  
 HARRIS COUNTY, TEXAS

2012 MAY 24 PM 2:37

FILED



PROCEEDING BEFORE THE  
AMERICAN ARBITRATION ASSOCIATION  
In Houston, Texas

JAMES C. HASSELL and HASSELL  
CONSTRUCTION COMPANY, INC.,

Claimants,

VS.

R. HASSELL HOLDING CO., INC, R.  
HASSELL & COMPANY, INC., R. HASSELL  
BUILDERS, INC. AND G.R. GROUP  
RESOURCES LLP, ROYCE J. HASSELL  
AND SILVIA T. HASSELL,

Respondents.

Case No. 01-14-0000-3178

## **FIRST AMENDED DEMAND FOR ARBITRATION**

Claimants James C. Hassell and Hassell Construction Company, Inc. file this First Amended Demand for Arbitration against Respondents The R. Hassell Holding Companies, Inc., R. Hassell & Co., Inc., R. Hassell Buildings, Inc., and G.R. Group Resources, LLC, Royce J. Hassell and Silvia T. Hassell, and allege as follows:

## PARTIES

1. Claimant Hassell Construction Company, Inc. (herein, “HCCI”) is a Texas corporation with its principal place of business in Houston, Harris County, Texas. HCCI is a concrete paving company that was founded by James C. (“Jim”) Hassell (sometimes referred to herein as “Mr. Hassell”) a few decades ago. Mr. Hassell remains the Chairman of the Board of Directors and CEO for HCCI. The other officers of HCCI include its President James Phillip (“Phil”) Hassell, Executive Vice-President Mike Hassell and Secretary/Treasurer Shawn Potts, the half-brothers/sister, respectively, of Respondent Royce Hassell.



2. Respondents Royce Hassell and his wife Silvia Hassell are individuals of the full age of majority residing in Harris County. Together, they own Respondents The R. Hassell Holding Companies, Inc., R. Hassell & Co., Inc., R. Hassell Builders, Inc. and G.R. Group Resources LLC, each a Texas company with its principal place of business in Harris County. Each of the Respondents has appeared and answered. They have been served with this amended demand via counsel of record as set forth in the in the attached certificate of service.

3. It is believed that there are misspellings or other minor errors in the identification of some of the Respondent entities names in this action. However, Claimants maintain that none of these issues are material and that all of the Respondent entities at issue have appeared and answered this arbitration without objection to the manner in which they were named in the arbitration. Specifically, Respondent R. Hassell Holding Company, Inc. should be properly named The R. Hassell Holding Companies, Inc. Respondent R. Hassell & Company, Inc. should be properly named R. Hassell & Co., Inc. Finally, GR Group Resources, LLP should be properly named GR Group Resources, LLC. Claimants are presently proceeding based on the foregoing understanding and/or reserves the right to modify this pleading to assert a further claim against the properly identified entity should doing so become necessary.

#### **JURISDICTION / HEARING LOCALE**

4. In 2012, Claimant HCCI, and Respondents R. Hassell Holding Company, Inc., R. Hassell & Company, Inc., R. Hassell Builders, Inc., and G.R. Group Resources LLP formed a joint venture and executed a Construction Joint Venture Agreement (the “JVA”) dated July 1, 2012, a copy of which is attached as Exhibit “A.” The JVA contains a broad arbitration provision which mandates the arbitration of all disputes that arise between the parties.

5. Specifically, paragraph 25 of the JVA contains an express and detailed dispute resolution and arbitration clause:

If a dispute arises that cannot be resolved through direct discussions, Joint Venturers shall participate in mediation before recourse to any form of binding dispute resolution . . . If the Joint Venturers are not able to resolve the dispute in Mediation, then such disputes shall be resolved through binding arbitration carried out in accordance with the rules and regulations of the American Arbitration Association. The decision of the arbitrator in any such proceeding shall be fully enforceable in any court of competent jurisdiction.

The mediation of this dispute occurred on February 17, 2014, and the claims herein were not resolved. Each claim asserted herein is significantly related to and factually intertwined with the JVA.

6. Claimants request a hearing locale of Houston, Harris County, Texas.

#### **PROCEDURAL BACKGROUD**

7. Despite the existence of an express contractual obligation to arbitrate Respondents' claims against Claimants, on October 15, 2013, Respondents filed their Original Petition for Declaratory Judgment, a copy of which is attached as Exhibit "B", in the 125th District Court of Harris County. The parties to that lawsuit included R. Hassell Holding Co., Inc., R. Hassell & Company, Inc., R. Hassell Builders, Inc. and G.R. Group Resources LLP, Hassell Construction Co., Inc. and Hassell Management Services, LLC.

8. On March 3, 2014, the Honorable Kyle Carter signed an order, attached as Exhibit "C", granting a motion to compel arbitration of the entire dispute. In the order, the court mandated that arbitration be initiated within 60 days.

9. Although denominated defendants below, Claimants have initiated this arbitration since they are the proper claimants in this matter, and because to their knowledge, Respondents have not done so.

### **SUMMARY OF CLAIM**

10. Many years after forming HCCI, Mr. Hassell helped his first son, Royce Hassell, start his own company. Since that time, Mr. Hassell and HCCI (and the rest of the Hassell family – most of whom work for HCCI) have continuously made special efforts to help extricate Royce Hassell and his companies from the adverse effects of his financial mismanagement. Along the way, Royce Hassell has broken nearly every promise to reform his business practices, curb his lavish lifestyle and wasteful spending habits and repay debts to Mr. Hassell and HCCI, which are now almost \$4 million. This has harmed HCCI's financial condition, its banking and surety relationships, and last but not least, its ability to procure and perform new work. As a result of these unpaid debts, as well as other acts and omissions, HCCI has been damaged in an amount up to \$10,000,000. Claimant's damages are continuing, and as such Claimants reserve the right to specify a claim in excess of \$10,000,000 at the appropriate time as determined by the arbitrator(s). Claimants will pay any additional fees associated with any increase of the amount of their claim after the initial filing date.

### **FACTUAL STATEMENT OF CLAIM**

11. At the end of 2008, Royce Hassell would negotiate an arrangement with Claimants whereby his company, R. Hassell, would bid work under HCCI's name, and therefore bonded by HCCI's surety. Royce Hassell would seek this arrangement because his financial condition and that of his companies was so poor that he/they could no longer qualify for a surety relationship through which to procure payment and performance bonds, which are required by law to perform public work. At that time, Royce Hassell would admit to his family that he had performed poorly on several projects and that his financial condition was so weak that further surety relationships were becoming impossible. To make matters worse, Royce Hassell's

projects were (a) under funds control (meaning that his surety had taken over control of his companies' contract funds since Royce Hassell had proven himself incapable of properly paying his companies' debts), and (b) in "claims" (meaning that his surety had received several claims for nonpayment of project debts from unpaid subcontractors and suppliers). Because of these issues, Royce Hassell's surety had refused to extend his bonding capacity (also known as the amount of surety credit available to a company) so that Royce Hassell and his companies could not bid more work. As part of his arrangement with HCCI, Royce Hassell would split projected profits for those projects bid under the name of Hassell Construction Company, such profits to be calculated at the time the bid was made. For instance, if Royce Hassell projected a 7% profit, his company would pay 3.5% of the contract sum to HCCI, regardless of the actual performance on the project. Royce's reasoning would be that he would rather force his subcontractors to make up his margin than have to prove up project costs, as he had been required to do in the past working with Mr. Hassell. Royce Hassell would be in total control of all contracts awarded under this arrangement.

12. In January 2009, Royce Hassell and R. Hassell Builders would begin work on the Wayne Gray Aquatic Center, a project procured under HCCI's name and surety relationship. Royce Hassell would request payment each month from HCCI for the estimated amount that was sent to the Owner, less HCCI's agreed upon percentage. HCCI in turn would pay Royce Hassell the amount requested, unless the owner made any adjustment to the billing. It was not long thereafter that HCCI would start receiving a large number of lien notices that were being sent by unpaid subcontractors and suppliers to its surety company for non-payment on projects that were being performed by R. Hassell Builders. HCCI would meet with Royce Hassell on many occasions about this issue and he would dismiss HCCI's concerns, typically stating words to the

effect “that is how the GC business is run”. Additionally, Royce Hassell would claim (usually falsely) that the notices were due to nonpayment for defective work or disagreements with a subcontractor’s performance or pricing.

13. The notices of nonpayment, bond claims and project debts would continue to mount through October 2010, when Royce Hassell and Silvia Hassell finally admitted they were having cash flow issues, at which time they would ask HCCI if they could borrow \$350,000. It was then represented that this amount would put Royce Hassell and his company back on a sound financial footing. In an attempt to help him and mitigate HCCI’s potential surety losses on his projects, Royce Hassell would be allowed to borrow the money from HCCI on October 5, 2010, at which time he signed a promissory note, a true and correct copy of which is attached as Exhibit “D”, in the amount of \$350,000 together with interest at 5%. This amount would be procured from HCCI’s line of credit with Vista Bank of Texas, and Royce Hassell would agree to make interest only payments at the rate being charged by Vista Bank, until the note was due on October 15, 2011.

14. The \$350,000 would prove to be too little too late for Royce and his companies. Later, Royce and Silvia Hassell would ask Mr. Hassell to personally loan Royce Hassell money. To accommodate his son, Mr. Hassell would personally co-sign a note with Trustmark Bank for approximately \$700,000. Sometime later, Royce Hassell would again approach Mr. Hassell for help, this time requesting Mr. Hassell to reduce the profit split on the projects bid under the name of Hassell Construction Company, so that Royce could receive more money needed to heal his ailing financial condition. Mr. Hassell would once more accommodate his son, and would reduce the percentage owed to HCCI down to as little as 1%.

15. In the beginning of 2011, it would become clear to HCCI after several meetings that Royce Hassell was not being honest with HCCI regarding his retained earnings and cash flow position. Royce Hassell had misused project funds and was not appropriately paying bills on projects that were procured under HCCI's name with HCCI's bonding. Royce Hassell would again dismiss HCCI's concerns, stating that this was only a cash flow issue from "robbing Peter to pay Paul" because he did not have the resources to cash flow his work during the time period between when it was performed and when it was paid for by the project owners. By March 2011, Royce Hassell would borrow up to \$1,116,342.00 on HCCI's line of credit. After the funds were extended to him, in March 2011 Royce would misapply a significant portion of the funds to his personal living expenses which he represented to HCCI would be used to pay vendors and subcontractors. Upon discovery, HCCI would confront Royce about it. Royce would be nonplussed and effectively replied that it was unrealistic to expect him to do otherwise. Royce would respond with more pie crust promises that the future would be brighter and he'd be back on his feet soon and that everyone needed him to keep the projects moving forward. Only later would it be discovered that Royce withheld and/or misrepresented material information about the financial condition of the R. Hassell entities. Claimants would rely on these false and/or reckless statements representations to their detriment by allowing the R. Hassell entities to draw down on the line of credit and as a result would sustain millions of dollars in damages.

16. A receivable was for Royce's company was set up on HCCI's books. Similarly, the liability would be continuously reflected on the combined financial statements for Royce Hassell and his companies. The HCCI line of credit would be used by Royce Hassell to fund his projects and overhead. Royce and Silvia Hassell would promise that Silvia would take charge of overseeing the payables, and HCCI would no longer have nonpayment issues.



17. By June 2011, Royce Hassell and Silvia would draw down HCCI's line of credit in the amount of \$1,509,884.69. To assuage the family's concerns, they would prepare liens on their properties to secure the line of credit. True and correct copies of the deeds of trust for their lake house, their country club estate, and two homes in West University Place are attached as Exhibits "E", "F", "G" and "H", respectively. All aspects of these transactions would be handled by Royce Hassell and Silvia Hassell – from the preparation of the deeds of trust to the filing of the paperwork with the county. A lien would also be filed on an office building that Royce and Silvia owned, in addition to 4 other properties. In connection with these transactions, they would name Shawn Potts the trustee over the liens without ever consulting her.

18. In July 2011, Royce and Silvia Hassell desired to sell their office building and would ask HCCI to release the lien. HCCI would accommodate Royce and Silvia Hassell because the family was told that a substantial amount of the debt would be paid back to HCCI. Although predictable in hindsight, this would not happen - the bank that held the loan for the office building also held a substantial note for the equipment belonging to Royce's company, as well as another line of credit on which he owed a significant amount of money. As a result, all excess funds from the sale of the office building would be applied to other notes on which he was in default, and HCCI would receive nothing. HCCI would therefore lose its security and receive no payment on the debt. As such, the only ones benefitting from the transaction would be Royce and Silvia Hassell.

19. Notwithstanding their bad behavior, just months later, in August 2011, Royce and Silvia Hassell would ask that HCCI release the liens held on 2 of the single family residence properties (6417 Buffalo Speedway and 6421 Buffalo Speedway) so that Allegiance Bank could become the first lien holder securing yet another line of credit in the amount of \$500,000.00.

Incredibly, HCCI would again accommodate Royce and Silvia, releasing the original liens. Royce Hassell would not refile the deeds of trust until May 2012, when HCCI would again become a second lien holder on the properties. True and correct copies of these Deeds of Trust are attached as Exhibits "I" and "J". To ease the concerns of HCCI relating to these transactions, Royce and Silvia would again and again promise to pay back the line of credit with proceeds from the sale of their real estate. Again, this would not happen. The maturity date of October 15, 2011 on the original promissory note would come and go, and the money loaned by HCCI would never be paid back.

20. As time went on, Royce Hassell would be provided summaries of the line of credit charges/reimbursements regularly. He and Silvia would both be aware of where the debt stood at all times. Silvia Hassell would periodically visit HCCI's office to review all the back up for the payments and back charges applied to Royce's projects (at times, she would even be allowed to take home the information and return it when she was finished). At all times, HCCI would be completely transparent with Royce and Silvia Hassell regarding the line of credit. Royce Hassell would receive many updated summaries relating to the line of credit. The last time one would be provided to him, Royce Hassell would slide it back, saying he did not want it shoved in his face, and asking what he was supposed to do about it. HCCI would explain that it was given to him so he would be aware of where the line of credit stood. Royce Hassell would be repeatedly advised of the effects his debt would have on HCCI's financial condition and bonding capacity.

21. Royce Hassell would meet with HCCI to discuss renting out the single family residence properties on Buffalo Speedway on which HCCI possessed the second lien deeds of trust. HCCI would request that he not rent the properties, and instead keep them on the market in



an effort to raise money to pay down his debt. He instead would do exactly the opposite, renting both houses and, effectively taking them off of the market for a year, during which time he would retain the rental income, leaving HCCI to continue paying the monthly notes on the properties.

22. As work progressed on the projects that Royce's company had bonded with its own surety, and several more projects bonded with HCCI's surety, it would become apparent that while Royce and Silvia Hassell had stated that they needed to do more work to create more cash flow, their financial issues were catching up to them and HCCI's line of credit was not being retired. In February 2012, HCCI would inform Royce Hassell that things needed to change, and that HCCI would not continue with the status quo. It was at this time, that Silvia Hassell would come to HCCI's office and threaten Royce's family for about five hours, regarding what would happen to them if HCCI did not continue supporting Royce and Silvia. Silvia would call Royce Hassell and instruct him to meet with HCCI about the current financial situation, which he would agree to do. As part of this meeting, Royce Hassell would represent that the line of credit balance would go no higher than \$2,250,000, and that he would soon have a million dollars to pay down the debt. Royce Hassell would tell HCCI that it could advise those needing to know of these facts, like HCCI's accountant, bank and surety. Silvia Hassell would participate in this conversation.

23. HCCI would be misled again. Meetings would be conducted in July 2012 and financial statements and plans with various options would be provided to HCCI by Royce Hassell, which would purport to demonstrate the status of his finances. Royce would even provide a letter stating that a surety for Royce's company might be forthcoming, provided that he received yet more funding from HCCI to continue to clean up his outstanding debts. Royce

Hassell would be informed that other avenues needed to be sought out, and again that problems were being created with HCCI's accountant, bank and surety by him not retiring the line of credit. Moreover, during 2012 and at other times Royce would represent the financial condition of projects that were being performed by the R. Hassell entities either as part of the joint venture or separately. He would provide information or make statements that would suggest that a project was on track financially which would allow them to pay down the line of credit and/or to pay joint venture liabilities. As one example, Royce would make statements or projections about amounts due to subcontractors and vendors. When the amounts due did not reconcile, Royce would offer similar excuses, such as billings were behind or retainage past due. However, in many instances the funds never materialized. Instead in reliance on these promises, Claimants would extend credit, funds and pay bills and in many instances were left with little or nothing to show for it in return. Royce would make such statements intentionally, recklessly and/or negligently to induce further extensions of credit and/or to prevent the Claimants from taking action against him personally or to collect against the R. Hassell entities. The Claimants would rely on these negligent, reckless and/or false representations to their detriment by continuing to extend credit to Royce's companies and/or by not moving forward with collection.

24. A plan would be discussed to salvage the terrible financial condition that Royce Hassell had created for not only his company, but HCCI. However, the plan would be rejected when Royce Hassell would tell Mr. Hassell and that he would not work for Phil Hassell or HCCI. Mr. Hassell would accept Royce Hassell at his word, informing Royce Hassell that HCCI would no longer be his financial backstop. Predictably, Royce and Silvia Hassell would promptly reverse course, later meet with Mike and Phil Hassell at Royce's company's office on a Sunday to discuss options to salvage the situation and retire the debt, and in September 2012, in

an effort to reduce the overall overhead between the HCCI and Royce's company, Royce Hassell and some of his people would go to work for HCCI. At his request, Royce would keep his companies separate from HCCI, reasoning that he needed to repay the debt that he, Silvia and their companies owed to HCCI. HCCI would tell Royce that his companies would have to be viable and able to stand on their own.

25. The idea would be that Royce Hassell would run the office for HCCI and Phil would run the field. During this time, Royce Hassell would become an officer and director of HCCI, with access to all of HCCI's financial information and all of the daily office operations. Royce Hassell would be elected to the board of HCCI and given title of COO. However, notwithstanding attempts to integrate him, Royce Hassell would spend the majority of his time dealing with the business of his own companies and never truly set up a permanent office at HCCI's location. Instead, Royce Hassell would spend most time either at his own companies' location across the parking lot or absent all together. Royce Hassell would have keys and access to HCCI's office and personnel, but would deny HCCI access to his office and employees. Royce Hassell would insist that all communication go through him concerning matters involving his companies, and demand that HCCI employee's direct communications through him regarding HCCI work as well. Many times Royce Hassell would be asked to downsize employees and combine offices (as HCCI was willing to do) and he would make promises concerning his intention to make changes, but the promises would not be honored.

26. The insurance for Royce Hassell's companies would renew in November 2012, and Royce Hassell would be neither willing nor able pay for it. Since he wanted to keep operating his company independently, and did not wish to change its ownership structure, Royce Hassell would hatch the idea of entering into a joint venture agreement – he would represent that

this was for insurance purposes only, and it would allow him to be insured through HCCI's insurance carrier. Royce would prepare an agreement which was signed by Phil. As part of this process Royce prepared documents that showed the structure of the Joint Venture which he submitted in his quest to obtain insurance coverage for the R. Hassell entities, including R. Hassell Properties, Inc. Royce represented that R. Hassell Properties, Inc. was a wholly owned subsidiary of The R. Hassell Holding Companies, Inc. which was one of the entities that was part of the Joint Venture. HCCI would have no reason to believe that the corporate structure was not as Royce represented. The R. Hassell Holdings Companies, Inc. did have two other wholly owned subsidiaries, R. Hassell Builders, Inc. and R. Hassell & Co., Inc. Royce would seek insurance for those two entities as well. However, on information and belief, R. Hassell Properties is not a wholly owned subsidiary of The R. Hassell Holding Companies, Inc. Records of the Texas Secretary of State for both The R. Hassell Holding Companies, Inc. and R. Hassell Properties, Inc. do not show any relationship between the two entities, such as a parent, affiliate, subsidiary, etc. *See* Exhibit "K." Royce would negligently, recklessly, and/or intentionally misrepresent or omit material information so that he could procure insurance and so that R. Hassell Properties could obtain insurance and bonding -- all at the expense of HCCI. HCCI would pay the insurance premiums and would R. Hassell Properties continue to operate as a result. HCCI would detrimentally rely on Royce's representations and has been harmed in that it paid premiums for which it remains unreimbursed by R. Hassell Properties or any other R. Hassell entity or Royce and Silvia Hassell.

27. Some of the projects undertaken by Royce Hassell using HCCI's name and surety credit would include:

2009:

Wayne Gray Aquatic Center

2010:

Baytown Fire Station

NC Foote Family Aquatic Center

Research Forest Drive

Hillhouse Road

2011:

Kingwood Community Center

Treeline, Sec 4

Northlake @ Glennlock Farms

Holly Terrace @ Jacobs Reserve

The Preserve @ North Hampton

Telfair

Springwoods Village Pkwy

2012:

Transtar Emergency Building

Transtar Parking Lot

Sylvan Rodriguez Park

28. HCCI would similarly work on several projects for Royce's company, including T.C. Jester. Royce Hassell would avoid paying the retainage due to HCCI on this project as long as he could. When questioned about it, Royce Hassell would falsely claim that he had never been paid in full, contrary to the County's confirmation that he had indeed been paid in full in the months prior to HCCI's call. Royce would not pay the retainage that was owed to HCCI for more than 2 years, when he would do so by adding it to his balance on the line of credit. If this were not bad enough, Royce Hassell would put Cypress Forest and another project called Smart Financial on HCCI's books initially, only to remove them later and collect and retain all the monies from the projects for himself.

29. During the time period of 2012, several things would happen with the various properties that were securing the line of credit. The lake house, in which there is the most equity, would be taken off the market in May or June 2012. The realtor listing it would not renew his contract with Royce and Silvia Hassell, stating they were too difficult with which to work, for among other reasons, demanding what he felt was an unreasonable amount for the property. Royce Hassell would never list the property for sale again even though it had the most potential in reducing his debt to HCCI. Royce and Silvia Hassell would also receive an offer on their ranch that was listed for sale either in December 2012 or January 2013. The interested party would offer less than the asking price and their counter offer was purposely unreasonable in an attempt to force the loss of the sale. Royce and Silvia Hassell would continually dismiss opportunities to sell properties that they owned and reduce the debt owed to HCCI, notwithstanding earlier repeated promises by both to the contrary.

30. It was then that HCCI would tell Royce Hassell that it would no longer support anything outside of legitimate project cost, and that he was causing HCCI a severe hardship, had used up the line of credit, and would have to come up with a plan to reduce his debt. Royce would come up with the idea to sign over some of his properties and have the equity applied as payment to the line of credit. He would even ask HCCI to run it by HCCI's CPA to see how it should be done. HCCI would agree to the proposed plan by Royce Hassell. Under this proposal, HCCI would take over the effort of trying to sell the properties. Although Royce Hassell would initially agree to do this, he would change his mind later, refusing to sign over the real estate to HCCI, not relisting it for sale, and again not reducing any of his debt to HCCI.

31. Later, Royce Hassell would procure a job named Stellar Oil Field. HCCI would perform almost all of the work on the project and would pay the costs associated with the labor,

materials and equipment used on the project. Royce Hassell would invoice the owners for Stellar under his own company's name, while he was an officer and director for HCCI, yet retain all the monies paid to his company. He would never reimburse HCCI for any of its costs, even after recognizing them on the cost to complete schedule that he had prepared for HCCI's financial statement.

32. After many meetings and again on July 15, 2013, Phil Hassell would meet with Royce Hassell at Royce's office to again discuss reduction of forces, the line of credit, and equipment, and to create a plan on what needed to happen. It was at this meeting that Royce Hassell would bring up to Phil that he had several people that wanted to invest in a new company with him completely separate from HCCI and Royce's other entities. Phil would tell Royce Hassell that he was not interested in doing such a thing, and would question how Royce Hassell thought he could do any better with someone else's money. Phil Hassell would be adamant that he did not want to take on the responsibility of someone else's money. A few days later at a meeting with HCCI, Mr. Hassell would confront Royce Hassell about starting another company and request an explanation and plan as to how Royce Hassell would reduce his debt to HCCI. Royce Hassell would storm out of the meeting, gather his things from his office, and tell Phil he was done - he refused to work for HCCI any longer and he quit. Royce would walk out the door of HCCI and not return.

33. Royce Hassell would participate in many discussions about using funds control for the projects bonded by HCCI's surety. In fact, Royce would request funds control to be used at the meeting with Phil Hassell on July 15<sup>th</sup>, because he would say he could no longer work with Shawn Potts. When HCCI would later inform him that funds control was being implemented on the Transtar projects, Royce would immediately start harassing HCCI, its Surety and Southwest



Escrow, the company that was handling the funds control, and would threaten litigation against all of them on nearly a daily basis. He would be asked repeatedly to submit funding requests for the subcontractors on the projects and he would refuse. Southwest Escrow would email him several times telling him that funds were available and requesting him to submit pay requests. Royce Hassell would only send funding requests for what he wanted to get paid for, which was only his bills, and he would continue to refuse to provide any pay requests submitted by the subcontractors. Instead, he would mail letters to the subcontractors and vendors, falsely stating that HCCI would not pay his company, so he could not pay them. Royce purposely would not submit the pay requests for the subcontractors, so neither Southwest Escrow nor HCCI could promptly pay them for their work. If he couldn't get his hands on this money, he would make sure that no one else did, and ruin the reputation of HCCI in the process. Silvia Hassell would launch an all-out harassment campaign to try to bully HCCI, SWEC, and HCCI's surety into doing what she and Royce Hassell wanted (*i.e.*, to release the money to them). She would bombard the surety and funds control companies on nearly a daily basis with threatening phone calls and emails promising litigation. It is not clear in what behalf she would be acting, whether attorney, wife, or part owner of Royce's companies, because she would represent herself in various capacities, depending on which best suited her at the moment. The behavior of Royce and Silvia Hassell would be a source of great embarrassment to Mr. Hassell, who otherwise had toiled many years to cultivate a successful surety relationship not only with HCCI's surety, but its predecessors, in addition to trade creditors and clients.

34. Within two weeks of walking out the door, Royce Hassell would start sending ridiculous bills to HCCI for equipment and labor, at times even billing for items for which he had already been paid. He would also immediately attack the James C. Hassell Inter-Vivos Trust,



threatening Mike Hassell as Trustee, telling him to get a good Trust attorney because he would need one. Royce and Silvia both would advise HCCI on several occasions to get an attorney. When HCCI complied, they would make claims that HCCI was trying to harm them with its attorneys.

35. Royce Hassell would assert that HCCI kept his assets, presumably referring to his employees. However, anyone that wanted to leave HCCI when Royce Hassell quit, would be free to do so. All those that stayed at HCCI would do so as a matter of free will. Some would go back to work for Royce's company. Royce Hassell would also claim that HCCI made him sell his equipment, which also harmed him; however, HCCI would spend a tremendous amount of time and resources to help Royce Hassell get his equipment ready to sell at auction. Royce would sell his equipment in an attempt to reduce his debt to Trustmark Bank. HCCI would not benefit from the sale of his equipment. While only Royce and Silvia Hassell (and their companies) would benefit from the sale, HCCI would incur the costs to get the equipment ready for sale. Moreover, Royce Hassell has a yard full of equipment that he is not using currently nor has he used it recently.

36. Royce and Silvia Hassell continue to make HCCI pay for the line of credit. They refuse to pay for anything including the monthly interest payments they owe on the line of credit. Instead they continue to force HCCI to bear the entire burden. They have slandered HCCI, made false claims, severely diminished HCCI's bonding capacity and have made it almost impossible for HCCI to continue to work. When Royce and Silvia Hassell didn't get their way regarding funds control, they would use it as an excuse to walk off the Transtar projects – effectively abandoning the jobs. To make matters worse, Royce and Silvia Hassell purposely would not provide HCCI with all the project documents that belonged on the Transtar projects, nor provide

any assistance to closing out projects for which they were responsible. They would simply walk away, and the harm they caused would be purposeful, intentional and vindictive.

37. In the meantime, HCCI has been denied the ability to bid certain projects due to the situation with the line of credit and how it affects HCCI's surety credit. Royce Hassell has refused to provide any project financial information to the CPA, which has also caused tremendous harm, because HCCI has been unable to accurately reflect project costs and revenues, thus preventing HCCI's CPA from preparing its annual financial statement, which is a condition to any surety bonding program. The effect of this was that HCCI was unable to bid work with one of their primary markets, since an audited annual financial statement is also required for the bid process. Royce's company has refused to provide any of its financial statements since July 3, 2012, nor has it provided any job project accounting reconciliations.

38. Several common themes pervades this brief history - Royce and Silvia Hassell were grossly over extended and failed to take timely corrective measures at the expense of their family. They took funds that should have been released to vendors, sometimes causing HCCI to pay the same vendor for the same work 2 and even 3 times since it was HCCI that held the bond on the projects. They made numerous false promises to pay down their debt to induce other considerations. Then they diverted the funds to pay off other debts. Royce and Silvia Hassell have taken from HCCI, in virtually every way conceivable, much to the detriment of HCCI, its stockholders, employees and their families.

## **CAUSES OF ACTION**

### **Breach of Contract (Debt / Foreclosure)**

39. Respondents borrowed money from HCCI which they have refused to pay back notwithstanding demand. The debt has been repeatedly acknowledged and secured by the multiple deeds of trust. Respondents' breach of their obligations has caused Claimants injury.

### **Fraud**

40. In multiple instances described above, Respondents made material representations to Claimants which were false and either known to be false or made recklessly, as a positive assertion, without knowledge of its truth. Respondents made the representations with the intent that the Claimants act on them, and Claimants relied on the representations to their detriment. Respondents also intentionally concealed from or failed to disclose certain material facts to Claimants which they had a duty to disclose. Respondents knew that Claimants were ignorant of these facts and/or did not have an equal opportunity to discover the facts. Respondents were intentionally silent when they had duty to speak and by remaining silent in multiple instances induced Claimants to take action and/or to refrain from taking actions. Claimants have sustained damages as a result.

### **Negligent Misrepresentation**

41. In multiple instances described above, Respondents made material representations to Claimants which were false. Respondents did not exercise reasonable care or competence in obtaining or communicating the information. Claimants reasonably and justifiably relied on the representations. Respondents negligent misrepresentations caused Claimants to sustain damages.

### **Breach of Fiduciary Duty**

42. As an officer and director of HCCI, Royce Hassell had a fiduciary relationship with HCCI, and in multiple instances set forth above, he breached his fiduciary duties to HCCI. Royce Hassell's breach resulted in injury to HCCI and/or benefit to Royce Hassell.

### **Business Disparagement**

43. Respondents published false, disparaging words about the Claimant HCCI's economic interests, with malice and without privilege, and the publication caused special damages to Claimant HCCI.

### **REQUESTED RELIEF**

44. Claimants respectfully request that an award be entered in their favor against Respondents, jointly and severally, for:

- (a) their actual damages, including balance of the HCCI line of credit, unpaid bills, unpaid overhead for 2011, 2012, 2013, and 2014, loss of revenue and profit sustained by virtue of reduced bonding capacity and available line of credit, losses from the joint venture projects, among other damages arising out of the above stated allegations;
- (b) foreclosure of the various deeds of trust attached as exhibits "E", "F", "I" and "J";
- (c) exemplary damages;
- (d) reasonable attorney's fees through the final hearing and award in this case, plus all proceedings to confirm or challenge the award, if any;
- (e) all costs and fees relating to this proceeding;
- (f) pre- and post-judgment interest as provided by law; and
- (g) such other and further relief to which Claimants' may be justly entitled.

Respectfully submitted,

**COATS | ROSE**  
*A Professional Corporation*

By:



Patrick E. Gaas, SBN: 07562790

Heather Asselin, SBN: 00797143

hasselin@coatsrose.com

Sam Arora SBN: 24034287

sarora@coatsrose.com

9 Greenway Plaza, Suite 1100

Houston, Texas 77046

(713) 651-0111

(713) 651-0220 facsimile

ATTORNEYS FOR CLAIMANTS JAMES C. HASSELL AND  
HASSELL CONSTRUCTION COMPANY, INC.

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing document was served via electronic transmission on January 12, 2014 to the following:

Silvia T. Hassell, SBN 09205200  
R. Hassell & Company, Inc.  
12512 Cutten Road, Suite A  
Houston, Texas 77066  
[sehassell@aol.com](mailto:sehassell@aol.com)  
(713) 665-0369 facsimile  
*Attorneys for Respondents*

  
\_\_\_\_\_  
Heather Asselin